



CITY OF DURHAM | NORTH CAROLINA

Date: November 27, 2013

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page, Deputy City Manager

**From: David Boyd, Finance Director
Sue Sandhoff, Financial Operations Manager
Lynette McRae, Purchasing Supervisor**

Subject: Co-Op Contract Purchase – Three (3) Knuckleboom Loader Trucks

Executive Summary

The contract under consideration will provide the Solid Waste Management Department with three (3) new Knuckleboom Loader Trucks. These vehicles were approved in the FY 2013/14 budget. The Fleet Management Department proposes to purchase three (3) Knuckleboom Loader Trucks from Freightliner of Austin, via Texas Buy Board Co-Contract No. 358-10.

Making purchases from contracts made through a competitive bidding group-purchasing program is referred to as the “co-op contract exception”. North Carolina General Statute 143-129(e)(3) allows an exception to the bidding process when making a purchase from a co-operative purchasing program.

The Administration has analyzed market conditions, has compared the pricing to other recent similar bids, and recommends using the “co-op contract” provision.

The total cost of the contract is \$374,866.00. Funding for this contract is available from the Fleet Replacement Fund (44623136.732300.S4401).

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Freightliner of Austin, Texas and determined they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting. There were no SDBEs to provide this product.

Recommendation

That the bid for the purchase of three (3) Knuckleboom Loader Trucks in the amount of \$374,866.00 from Freightliner of Austin be approved and the City Manager be authorized to execute all relevant contracts; and,

That the City Manager be authorized to modify the contract before execution provided that modifications do not increase the dollar amount of the contract and are consistent with the general intent of the existing version of the contract.

Background

The Texas Buy Board awarded a contract for various cab & chassis and specialty bodies. The Texas Buy Board is a co-operative purchasing program that assists other local governments by establishing competitively priced contracts for goods and services on a national level, leveraging quantities to achieve excellent pricing. The City of Durham is a participating member of the program and it is open to all units of local government, including non-profits.

The Fleet Management Department proposes to purchase three (3) Knuckleboom Loader Trucks from Freightliner of Austin, via Texas Buy Board Co-Contract No. 358-10.

Making purchases from contracts made through a competitive bidding group-purchasing program is referred to as a “co-op contract exception”. North Carolina General Statute 143-129(e)(3) allows an exception to the bidding process when making a purchase from a co-operative purchasing program. The exception reads as follows:

The bidding process is waived for purchases made through a competitive bidding group purchasing program, which is a formally organized program that offers competitively obtained purchasing services at discount prices to two or more public agencies.

Freightliner of Austin has agreed to furnish the City with three (3) Knuckleboom Loader Trucks per the same pricing and conditions as in the existing Texas Buy board contract no. 358-10.

Issues/Analysis

The City could choose not to use the “co-op contract” provision and seek new bids. Seeking new bids would delay the award process and most likely result in higher prices. The Administration has analyzed market conditions, has compared the pricing to other recent similar bids, and recommends using the “co-op contract” provision.

Alternatives

There are no good alternatives to making this purchase. The contract pricing provides the City with a savings compared to current market pricing and the cost of the contract is within the funds allotted.

Financial Impact

The total cost of the contract is \$374,866.00. Funding for this contract is available from the Fleet Replacement Fund (44623136.732300.S4401).

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Freightliner of Austin, Texas and determined they are in compliance with the Ordinance to Promote Equal Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBEs to provide this product.

WORKFORCE STATISTICS

The workforce statistics for Freightliner are as follows:

Total Workforce	21	100%
Total Females	3	14%
Total Males	18	86%
Black Males	1	5%
White Males	14	67%
Other Males	3	14%
Black Females	0	0%
White Females	2	9%
Other Females	1	5%